

2019 Regular Session

HOUSE BILL NO. 225

BY REPRESENTATIVE EDMONDS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SCHOOLS/CHARTER: Provides relative to the sale or transfer of charter school facilities financed through tax exempt bonds

1 AN ACT

2 To amend and reenact R.S. 17:3982(B)(1), relative to charter schools; to provide relative to
3 the disposition of charter school facilities financed through tax exempt bonds; to
4 require such facilities to be offered to charter operators or chartering authorities prior
5 to public sale under certain circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 17:3982(B)(1) is hereby amended and reenacted to read as follows:

8 §3982. Local school boards; duties; Orleans Parish School Board; immovable
9 property; sale or lease

10 * * *

11 B.(1)(a) Local school boards shall make available to chartering groups any
12 vacant school facilities or any facility slated to be vacant for lease or purchase up to
13 fair market value. In the case of a Type 2 charter school created as a result of a
14 conversion, the facility and all property within the existing school shall be made
15 available to that chartering group. In return for the use of the facility and its
16 contents, the chartering group shall pay a proportionate share of the local school
17 board's bonded indebtedness to be calculated in the same manner as set forth in R.S.
18 17:1990(C)(2)(a)(i). If such facilities were constructed at no cost to the local school
19 board, then such facilities including all equipment, books, instructional materials,
20 and furniture within such facilities shall be provided to the charter school at no cost.

1 (b) If the owner of a charter school facility that was financed through tax
2 exempt bonds and for which all such bonds have been repaid wishes to dispose of
3 the facility, the owner shall, prior to advertising the sale, offer the facility as follows:

4 (i) First, the owner shall, in accordance with applicable law, offer to transfer
5 title to the facility to the charter operator.

6 (ii) If the charter operator declines, the owner shall next offer the facility to
7 its chartering authority at a purchase price of the fair market value of those assets not
8 financed by tax exempt bonds as determined by a mutually agreed upon independent
9 appraiser.

10 (iii) Each entity to which such facility is offered shall be given sixty days to
11 exercise its option.

12 (iv) If the school is a Type 2 charter school, the local school board in whose
13 geographic boundaries the facility is located shall be given the option to purchase the
14 facility as provided in Item (ii) of this Subparagraph.

15 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 225 Engrossed

2019 Regular Session

Edmonds

Abstract: Requires charter school facilities financed through tax exempt bonds to be offered to charter operators or chartering authorities under certain circumstances.

Present law requires local school boards to make available to chartering groups any vacant or slated-to-be-vacant school facility for lease or purchase up to fair market value. Provides that in the case of a Type 2 charter school created as a result of a conversion, the facility and all property within the existing school shall be made available to that chartering group. Requires the chartering group, in return for the use of the facility and its contents, to pay a proportionate share of the local school board's bonded indebtedness.

Proposed law provides that if the owner of a charter school facility that was financed through tax exempt bonds and for which all such bonds have been repaid wishes to dispose of the facility, he shall, prior to advertising the sale, offer the facility to the charter operator. Provides that if the charter operator declines, the owner shall next offer such facility to its chartering authority at a purchase price of fair market value of assets not financed through tax exempt bonds as determined by a mutually agreed upon independent appraiser. Provides that the charter operator and the chartering authority shall each be given 60 days to exercise these options.

(Amends R.S. 17:3982(B)(1))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. If a charter operator declines an owner's offer to transfer to it a facility's title, require the facility to be offered for sale to the State Bd. of Elementary and Secondary Education, rather than the local school board, if the state board is the chartering authority.
2. Relative to such an offer to the chartering authority, exclude those assets financed by tax exempt bonds from the purchase price.